

BACKGROUND
Children's Health Initiative to Provide
Expanded Health Insurance Coverage for Children 0-5 in Placer County

The First 5 Placer Children and Families Commission has an opportunity to provide funding to ensure that all children prenatal through 5 in Placer County have health insurance. This involves the creation and participation in a local Children's Health Initiative coalition and participation in the regional effort with Sacramento, Colusa, El Dorado and Yuba Counties known as the Healthy Kids Healthy Futures collaborative.

It is estimated that there are 1,055 uninsured children prenatal through 5 in Placer County. Of these children, 152 are not eligible for existing Medi-Cal or Healthy Families insurance programs.

Also, there are 3,282 uninsured children 6-18 in Placer County. Of these children, 698 are not eligible for existing Medi-Cal or Healthy Families insurance programs.

The cost to First 5 Placer to insure all children prenatal through 5 with incomes below 300 percent of the federal poverty level (\$55,000 for a family of four) for three years will be approximately \$602,054. The first year funding will not be needed until fiscal year 2007-08.

This phased approach will have the following targets for our prenatal through 5 population:

- Premiums for 76 children the first year at a cost of \$67,123;
- Premiums for 114 children the second year at a cost of \$100,685;
- Premiums for 152 children (100% coverage) the third year at a cost of \$134,246.

In addition to the cost for premiums listed above, an additional \$100,000 is needed each year to cover the costs of outreach, enrollment, retention and administration. This cost will also indirectly help to enroll the 3,282 children who are 6-18 years old in the Medi-Cal and Healthy Families programs. Also, start up funding in the amount of \$50,000 is provided for the period of January through June 2007 to set up the staffing infrastructure for outreach, enrollment and administration. The First 5 Placer Commission will contract with the Healthy Kids Healthy Futures regional collaborative to set up the needed infrastructure.

This approach is expected to cover 80 percent of premiums for children prenatal through 5 plus \$100,000 per year for outreach, enrollment, retention and our share of administrative costs. The remaining 20 percent of premiums would be covered by the State First 5 Commission's matching program.

Costs to First 5 Placer Over Three Years to Insure All Children 0-5

	Year 1	Year 2	Year 3	Total
Prenatal through 5 Enrollment	76	114	152	152
Premiums	\$67,123	\$100,685	\$134,246	\$302,054
Outreach, Enrollment, Retention & Administration	\$100,000	\$100,000	\$100,000	\$300,000
Total Placer First 5	\$167,123	\$200,685	\$234,246	\$602,054

In its 2004-07 Strategic Plan, First 5 Placer adopted a goal of pursuing a Children's Health Initiative to provide health insurance coverage for children prenatal through 5. The term "Children's Health Initiative" (CHI) describes the concept of a grassroots, countywide strategy to provide local access to health coverage for uninsured low-income children.

Good health is a fundamental element of the First 5 Placer vision. Many other First 5 Commissions share this value. There are compelling reasons for this effort:

- ❑ Health insurance for children leads to improvements in their access to health care, health status and school performance.
- ❑ Covering all children represents an important first step to address the broader uninsured crisis that is plaguing California.
- ❑ A substantial reduction in the number of uninsured children will lower the level of uncompensated care by safety net providers.

The program outlined in this CHI initiative is part of the First 5 Placer 2007 – 2010 Strategic Plan. The goal is to have coverage for prenatal through 5 effective July 1, 2007.

Health Insurance Premiums

In order to fulfill the promise of children's health for all, most counties have initiated a new insurance product, generally called Healthy Kids, to cover those children whose family incomes are below 300 percent FPL and are not eligible for Medi-Cal or Healthy Families.

The health insurance premium levels for Healthy Kids used in this analysis are based on experience in other counties. The CHI planning group has projected a premium of \$92 per month or \$1,104 per year for use with Health Net through the Sacramento Sierra Region's Healthy Kids Healthy Futures Collaborative.

In Placer County, First 5 Placer will pay 80 percent of the premium for children prenatal through 5, and apply for matching funds from the State First 5 Commission for the remaining premium expense.

Statewide Efforts & Principles

Over the past five years across the state, 22 local coalitions have come together to provide affordable health coverage for all children, and have already implemented, or are in the planning stages of expanding children's health insurance coverage. Placer County is the most recent county to initiate this effort. CHI counties have generally adopted the following principles for their expanded coverage programs:

- ❑ Create a coverage program for all children 0 – 18 up to 300% of poverty without health insurance;
- ❑ Use enrollment of eligible children in public programs, like Medi-Cal and Healthy Families, as first line of insurance coverage;
- ❑ Simplify and integrate enrollment systems so that there is no wrong door to enter the system;
- ❑ Utilize a licensed health insurance product, with Healthy Families-like comprehensive benefits called Healthy Kids;
- ❑ Develop a comprehensive and geographically distributed provider network that also protects the safety net;
- ❑ Assure cultural and linguistic access;
- ❑ Institute a family premium contribution; and
- ❑ Commit local resources to funding program and premium costs.

Local CHI Conclusions

The planning group reached the following conclusions in the course of the studying the financial feasibility of a Placer County Children's Health Initiative:

- ❑ There are approximately 4,337 uninsured children in Placer County, 850 of whom are not eligible for Medi-Cal or Healthy Families. Of these children, 152 are prenatal through 5.
- ❑ Enrollment in a new health insurance product is predicated on the effectiveness of the outreach, education and retention campaign. Outreach and enrollment will be focused on all uninsured children, not just the children eligible for the new product.
- ❑ In order to take advantage of the experience of veteran CHI counties, the planning group recommends that Placer join the regional CHI effort known as the Healthy Kids Healthy Futures program with Sacramento, Colusa, El Dorado and Yuba Counties. They have chosen Health Net as the health plan for their program. The purpose of the regional effort is to implement a comprehensive and portable regional health insurance product for children ages 0-18 in families with incomes at or below 300 percent FPL who are not eligible for existing public programs.

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